Based on analysis by Ookla® of Speedtest Intelligence® data Q2-Q3 2020
FINANCIAL HIGHLIGHTS FOR H1 2021

• Aggregate subscriber base reached 156 million, representing a year over year increase of 7%;

• Consolidated revenues for the first half of 2021 amounted to AED 26.4 billion, representing an increase of 3.2% year over year;

• Consolidated EBITDA for the first half of 2021 amounted to AED 13.4 billion, representing an increase of 1.3% year over year and resulting in an EBITDA margin of 51%, 1 percentage point lower than the prior year;

• Consolidated net profit after Federal Royalty amounted to AED 4.7 billion, representing a 3.9% increase year over year and resulting in a net profit margin of 18%;

• Consolidated capital spending increased by 3.5% to AED 2.7 billion, representing 10% of the consolidated revenue;

• Operating free cash flow amounted to AED 10.7 billion, representing an increase of 1% year over year; and

• Etisalat Group’s Board of Directors approved interim dividends of 40 fils per share for the first half of 2021.

FINANCIAL HIGHLIGHTS FOR Q2 2021

• Aggregate subscriber base reached 156 million, representing a year over year increase of 7%;

• Consolidated revenues for the second quarter amounted to AED 13.2 billion, representing an increase of 5.8% year over year and remained steady quarter over quarter;

• Consolidated EBITDA for the second quarter amounted to AED 6.6 billion, representing an increase of 1.8% year over year, resulting in an EBITDA margin of 50%, 2 percentage points lower than the prior year;

• Consolidated net profit after Federal Royalty amounted to AED 2.4 billion, representing a 0.3% increase year over year and 1.9% quarter over quarter, resulting in a net profit margin of 18%;

• Consolidated capital spending increased by 6% to AED 1.6 billion, representing 12% of the consolidated revenue; and

• Operating free cash flow amounted to AED 5.0 billion, representing a 1% increase year over year.
STATEMENT FROM H.E. JASSEM MOHAMED ALZAABI, CHAIRMAN OF ETISALAT GROUP

Etisalat continued to demonstrate strong performance showcasing growth across its operations for the first half of the year, thanks to our continuous efforts and focus on our vision of driving the digital future with a strong commitment towards the societies we serve and adding value to our shareholders.

We are confident that Etisalat Group will maintain its leadership position in the telecom industry while remaining focused on our core business and exploring new growth opportunities ensuring that we are well geared for the future with all our digital capabilities and solutions.

I would like to thank UAE’s wise leadership for their continuous support to the telecom sector and the Etisalat Group’s management team in making the digital vision a reality by staying focused on the company’s long-term strategy to drive stakeholder value. Thanks to both our shareholders and loyal customers for inspiring us to set new global benchmarks and reach new business heights.

KEY DEVELOPMENTS IN Q2 2021

- S&P Global and Moody’s affirm Etisalat Group’s Credit Ratings (AA-/Aa3) with stable outlook;
- Etisalat Group successfully completed a 1 billion Euro bonds issuance that was 6 times oversubscribed;
- Etisalat and Ericsson partner to commercially deploy 5G high-band in the UAE offering subscribers faster speeds and lower latency;
- Etisalat highlighted plans to accelerate OpenRAN realisation as part of its cloud native NaaS transformation;
- Etisalat Digital launched the UAE Trade Connect (UTC), a new blockchain platform to help financial institutions combat fraud and duplication, in partnership with seven UAE banks and Avanza Innovations;

- Etisalat’s Digital Financial Services (eWallet) partners with Al-Futtaim and Lulu among others to enable contactless payment;
- Etisalat Egypt signed a MoU with Canal Sugar Company, the first of its kind in the agricultural sector to digitally transform their financial transactions; and
- E-Vision launches new Television Audience Measurement (TAM) system in the UAE to give industry professionals access to viewership data.

EARNINGS RELEASE FIRST QUARTER 2021
STATEMENT FROM HATEM DOWIDAR, CEO OF ETISALAT GROUP

Etisalat Group’s strong results in the first half of 2021 is an outcome of our sincere efforts to drive growth and generate efficiencies, with an unwavering commitment to key strategic priorities to enable a digital future and drive digital innovation across our operations. Despite the challenges in our key markets, our businesses delivered growth in revenue, net profit and operating free cashflow.

We are proud that Etisalat Group was a key contributor to positioning the UAE as the fastest mobile network in the world and among the top fixed broadband networks globally, meeting the ICT aspirations of the country’s leadership. With our success in deploying 5G as well as taking the global lead in fibre penetration, we ensured that our networks are future-ready for the next generation of mobile networks and technologies.

As we look ahead with confidence, we will focus on expanding our capabilities, maintaining industry leadership to achieve our long-term goals of enriching customer lives and empowering governments, businesses and societies across our footprint.

Etisalat remains grateful to the wise leadership of the UAE, thankful to our customers and shareholders for their constant encouragement, and to our employees who are the cornerstone of our success. We will remain focused on investments in futuristic solutions and next-generation technologies, enhancing the overall customer experience while delivering long-term value for all our shareholders.
Etisalat Group aggregate subscribers as at 30 June 2021 was 156 million reflecting a net addition of 10.0 million during the last 12 months period due to subscriber growth in Saudi Arabia, Mali, Burkina Faso, Pakistan, Ivory Coast, Egypt, Chad, Benin, Mauritania, Gabon, UAE and Morocco. Quarter over quarter, subscriber base remained flat.

In the UAE, the active subscriber base reached 12.1 million subscribers in the second quarter of 2021, which increased by 3% year on year and dropped by 2% quarter over quarter. The mobile subscriber base increased by 3% year on year to 10.3 million subscribers attributed to the postpaid subscribers that increased by 8%. Quarter over quarter, mobile subscriber base decreased by 0.2 million subscribers driven by a decline in prepaid subscribers. eLife subscription continued to drive consistent growth with 1% year on year increase to 1.1 million subscribers. Total broadband segment grew by 3% year on year to 1.3 million subscribers.

For Maroc Telecom, the subscriber base reached 73.6 million subscribers as at 30 June 2021, representing a year over year growth of 8%. This growth is mainly attributable to the operations in Mali, Burkina Faso, Ivory Coast, Chad, Benin, Mauritania and Gabon.

In Egypt, subscriber base increased by 3% year over year to 26.7 million mainly due to market growth.

In Pakistan, subscriber base increased by 3% year over year to 25.6 million attributed to the mobile and fixed segments.
Etisalat Group’s consolidated revenues for the second quarter of 2021 amounted to AED 13.2 billion, representing an increase of 5.8% in comparison to the same period last year and remained steady quarter over quarter. Second quarter revenue witnessed growth in both domestic and international operations.

In the UAE, revenue in the second quarter increased year on year by 1% to AED 7.5 billion while remained flat quarter over quarter. The year over year increase is attributed to recovery in the mobile segment despite the fact that commercial activities remains below pre-COVID-19 levels.

Mobile segment revenue increased year over year by 2% to AED 2.6 billion attributed to strong postpaid segment performance and to growth in mobile data that offset the decline in voice revenue due to the increased penetration of OTT services. Fixed segment revenue declined by 1% year over year to AED 2.8 billion as a result of a decline in fixed voice revenue and slight drop in internet services that was partially offset by growth in broadcast television revenue. Other segment revenue increased by 3% year over year to AED 2.1 billion attributed to higher handset sale.

Revenues of International consolidated operations for the second quarter of 2021 increased year over year by 13% to AED 5.7 billion and quarter over quarter by 2%. This growth is mainly attributed to the strong performance of Etisalat Misr and Pakistan, in addition to favourable exchange rate movement of MAD against AED. Revenue from International operations represented 43% of Group consolidated revenue.

Maroc Telecom consolidated revenue for the second quarter of 2021 amounted to AED 3.5 billion representing a year over year increase of 8% attributed mainly to favourable exchange rate movement in MAD against AED, growth in fixed broadband in Morocco and growth in int’l subsidiaries. However, in local currency revenue declined by 2%. In Morocco, revenue decreased year over year by 5% in local currency attributed to the decline in mobile revenue by 7% and fixed segment by 3%. This decline is attributed to the increased regulatory and competitive pressures and decrease in national call termination rates that impacted performance in particular prepaid data. Revenue from international operations increased year over year by 3% in local currency, resulting in 48% contribution to Maroc Telecom Group’s consolidated revenue. This increase is attributed to growth in mobile data and mobile money services.

In Egypt, revenue for the second quarter of 2021 was AED 1.2 billion, an increase of 27% year on year and 8% quarter over quarter. The year on year growth is attributed to strong contribution from mobile data and national roaming revenue.
In Pakistan, revenue for the second quarter was AED 0.8 billion representing a 16% increase year over year and a 2% increase quarter over quarter. This growth was mainly attributed to the positive contribution from all operations in particular fixed and mobile broadband and Ubank services.

**TOTAL EXPENSES**

Consolidated expenses for the second quarter of 2021 was AED 8.4 billion, a 12% increase compared to the same quarter of the previous year and remained flat compared to the first quarter of 2021. The year on year increase is mainly attributed to higher direct cost of sales and operating costs associated with higher revenues, changes in revenue mix and resumption of many operational activities. Key components of expenses are:

- **Direct cost of Sales** increased year over year by 11% to AED 3.3 billion in the second quarter of 2021 and increased by 3% quarter over quarter. As a percentage of revenue, it increased by 1 percentage point to 25% in the second quarter.

- **Staff expenses** increased by 9% to AED 1.1 billion for the second quarter of 2021 as compared to the same period of last year and decreased by 5% quarter over quarter. As a percentage of revenue, staff costs remained stable in the second quarter at 9%.

- **Depreciation and Amortization expenses** increased year over year by 8% to AED 2.0 billion in the second quarter of 2021 as compared to the same period in 2020, and remained stable quarter over quarter. As a percentage of revenue, depreciation and amortization expenses remained flat at 15% in the second quarter compared to the same period in 2020 and to the first quarter of 2021.

- **Network costs** increased year over year by 12% to AED 0.7 billion in the second quarter of 2021 as compared to the same period in 2020 and by 3% compared to the first quarter of 2021. As a percentage of revenue, network costs remained stable at 5%, similar to same quarter in 2020 and first quarter of this year.

- **Marketing expenses** increased by 43% to AED 0.2 billion in the second quarter of 2021 as compared to the same period in 2020 and increased by 10% in comparison to the first quarter of 2021. As a percentage of revenue, marketing expenses stood at 2% in the second quarter, similar to the same period of last year and the first quarter of this year.

- **Other operating expenses** increased by 22% year over year to AED 1.0 billion in the second quarter and decreased by 6% quarter over quarter. This increase is mainly attributed to foreign exchange losses compared to foreign exchange gain in prior year, higher regulatory, IT and consulting costs. Other operating expenses represented 8% of the quarter’s revenue, a 1 percentage point increase compared to second quarter of the prior year and remained stable compared to the previous quarter.
Group Consolidated EBITDA for the second quarter of 2021 increased by 1.8% year on year and decreased by 1.8% quarter on quarter to AED 6.6 billion, resulting in an EBITDA margin of 50%, 2 percentage points lower than the prior year and 1 percentage point lower than the prior quarter.

In the UAE, EBITDA in the second quarter of 2021 was AED 3.9 billion, a 4% decrease year-over-year and leading to an EBITDA margin of 52%, 3 percentage points lower than the second quarter of the previous year. The year over year decrease is mainly attributed to higher cost of sales due to change in revenue mix and higher interconnection costs. However, this was partially offset by lower operating expenses as a result of ongoing cost optimization measures. EBITDA decreased by 2% and EBITDA margin by 1 percentage point in comparison to the first quarter of 2021.

EBITDA of International consolidated operations increased year over year by 10% to AED 2.7 billion in the second quarter, resulting in a 41% contribution to Group consolidated EBITDA. EBITDA margin of international operations stood at 48%, 1 percentage point lower than the same period last year and stable compared to the first quarter of 2021.

Maroc Telecom’s consolidated EBITDA for the second quarter of 2021 amounted to AED 1.9 billion increasing year over year by 6%, resulting in an EBITDA margin of 54%. In Moroccan Dirham, EBITDA in absolute terms decreased year over year by 4% mainly attributed to Moroccan operations that declined by 10% due to lower revenue. This was partially offset by growth in the EBITDA from international operations that increased year over year by 5% attributed to higher revenue and better gross margin.

In Egypt, EBITDA in the second quarter increased year on year by 32% to AED 0.5 billion and EBITDA margin increased by 2 percentage points to 43%. Quarter over quarter, EBITDA increased by 13% and EBITDA margin also increased by 2 percentage points. This increase is attributed to higher revenue growth coupled with cost control measures.

In Pakistan, EBITDA in the second quarter of 2021 increased year on year by 11% to AED 0.2 billion with EBITDA margin lower by 1 percentage point at 30%. The year over year increase is attributed to higher revenue and lower interconnection costs. Quarter over quarter, EBITDA decreased by 4% and EBITDA margin decreased by 2 percentage points. This decline is due to higher cost of sales and network costs supporting revenue growth.
Consolidated net profit after Federal Royalty increased year over year by 0.3% to AED 2.4 billion in the second quarter of 2021 and net profit margin decreased by 1 percentage point to 18%. This increase is attributed to higher EBITDA, lower impairment loss of trade receivables and contract assets, lower royalty, lower net finance and other costs and better contribution from associates. Quarter over quarter net profit increased by 2%.

Earnings per share (EPS) amounted to AED 0.28 in the second quarter, an increase of 0.3% as compared to EPS of the same period last year.

On 29 July 2021, the Board of Directors approved an interim dividend distribution for the six months period ended 30 June 2021 at the rate of 40 fils per share. Shareholders registered in the Shareholders' Register at the close of the business day on 8 August 2021, will be eligible for the dividend distribution.
Consolidated capital expenditure increased by 6% year over year to AED 1.6 billion in the second quarter of 2021 resulting in a capital intensity ratio of 12%, stable compared to the same period in 2020. Capital spending continue to support the growth in traffic on the Group networks and expansion of coverage. Quarter over quarter, capital expenditure increased by 50% and capital intensity ratio by 4 percentage points.

In the UAE, capital expenditure in the second quarter was focused on network modernization, capacity enhancement and network maintenance. Capital expenditure during the quarter amounted to AED 0.5 billion, a 43% decrease in comparison to the same period last year. Capital intensity ratio was 7%, representing 5 percentage points lower than the same quarter of the prior year and 1 percentage point lower than the first quarter of 2021.

In Maroc Telecom, capital expenditure for the second quarter increased by 186% year over year to AED 0.7 billion resulting in a capital intensity ratio of 20%. Capex spend in Morocco increased year over year by almost 3 times and was focused on fibre-to-the-home network, expanding mobile network and improving indoor coverage. On the international front, capex spend increased year over year by 60% with spend focusing on networks expansion and upgrades to support the growth in traffic and customer base.

In Egypt, capital expenditure for the second quarter increased by 2% year over year to AED 0.2 billion resulting in a capital intensity ratio of 15%, 4 percentage points lower than the same period of the prior year. Capital spending focused on 4G deployment and upgrading of network capacity.

In Pakistan, capital expenditure for the second quarter increased by 14% year over year to AED 0.2 billion resulting in a capital intensity ratio of 26%, stable compared to the prior year. Capital spending focused on enhancement of the fixed network's capacity.

Capital expenditures in consolidated international operations in the second quarter of 2021 increased by 80% to AED 1.1 billion compared to the same period last year and represented 68% of total Group capital expenditure.
Total consolidated debt amounted AED 24.5 billion as of 30 June 2021, as compared to AED 26.7 billion as at 31 December 2020; a decrease of AED 2.2 billion.

Consolidated debt breakdown by operations as of 30 June 2021 is as following:
- Etisalat Group (AED 14.6 billion)
- Maroc Telecom Group (AED 6.6 billion)
- PTCL Group (AED 1.7 billion)
- Etisalat Misr (AED 1.6 billion)

More than 70% of the debt balance is of long-term maturity that is due beyond the second quarter of 2022.

Currency mix for external borrowings is 39% in Euros, 25% in US Dollars, 16% in MAD and 20% in various currencies.

Consolidated cash balance amounted to AED 24.3 billion as of 30 June 2021 leading to a net debt position of AED 0.2 billion.
# PROFIT & LOSS SUMMARY

<table>
<thead>
<tr>
<th>(AED m)</th>
<th>Q2’20</th>
<th>Q1’21</th>
<th>Q2’21</th>
<th>QoQ</th>
<th>YoY</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>12,492</td>
<td>13,220</td>
<td>13,216</td>
<td>0.0%</td>
<td>+5.8%</td>
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<tr>
<td>EBITDA</td>
<td>6,523</td>
<td>6,765</td>
<td>6,641</td>
<td>-1.8%</td>
<td>+1.8%</td>
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<tr>
<td>EBITDA Margin</td>
<td>52.2%</td>
<td>51.2%</td>
<td>50.3%</td>
<td>-0.9pp</td>
<td>-2.0pp</td>
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<tr>
<td>Federal Royalty</td>
<td>(1,509)</td>
<td>(1,387)</td>
<td>(1,416)</td>
<td>+2.1%</td>
<td>-6.2%</td>
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<tr>
<td>Net Profit</td>
<td>2,388</td>
<td>2,350</td>
<td>2,395</td>
<td>+1.9%</td>
<td>+0.3%</td>
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<tr>
<td>Net Profit Margin</td>
<td>19.1%</td>
<td>17.8%</td>
<td>18.1%</td>
<td>+0.3pp</td>
<td>-1.0pp</td>
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# BALANCE SHEET SUMMARY

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<tr>
<th>(AED m)</th>
<th>December 2020</th>
<th>June 2021</th>
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<tbody>
<tr>
<td>Cash &amp; Bank Balances</td>
<td>31,345</td>
<td>24,280</td>
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<tr>
<td>Total Assets</td>
<td>133,018</td>
<td>125,233</td>
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<tr>
<td>Total Debt</td>
<td>26,701</td>
<td>24,478</td>
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<td>Net Cash / (Debt)</td>
<td>4,644</td>
<td>(198)</td>
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<tr>
<td>Total Equity</td>
<td>60,550</td>
<td>58,358</td>
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</table>

# CASH FLOW SUMMARY

<table>
<thead>
<tr>
<th>(AED m)</th>
<th>6M’ 2020</th>
<th>6M’ 2021</th>
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<tbody>
<tr>
<td>Operating</td>
<td>3,545</td>
<td>3,999</td>
</tr>
<tr>
<td>Investing</td>
<td>(2,432)</td>
<td>(1,480)</td>
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<tr>
<td>Financing</td>
<td>(6,415)</td>
<td>(9,982)</td>
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<td>Net change in cash</td>
<td>(5,302)</td>
<td>(7,463)</td>
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<tr>
<td>Effect of FX rate changes</td>
<td>94</td>
<td>392</td>
</tr>
<tr>
<td>Reclassified as held for sales</td>
<td>(27)</td>
<td>6</td>
</tr>
<tr>
<td>Ending cash balance</td>
<td>24,421</td>
<td>24,280</td>
</tr>
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</table>
### RECONCILIATION OF NON-IFRS FINANCIAL MEASUREMENTS

We believe that EBITDA is a measurement commonly used by companies, analysts and investors in the telecommunications industry, which enhances the understanding of our cash generation ability and liquidity position, and assists in the evaluation of our capacity to meet our financial obligations. We also use EBITDA as an internal measurement tool and, accordingly, we believe that the presentation of EBITDA provides useful and relevant information to analysts and investors.

Our EBITDA definition includes revenue, staff costs, direct cost of sales, regulatory expenses, operating lease rentals, repairs and maintenance, general financial expenses, and other operating expenses.

EBITDA is not a measure of financial performance under IFRS, and should not be construed as a substitute for net earnings (loss) as a measure of performance or cash flow from operations as a measure of liquidity. The following table provides a reconciliation of EBITDA, which is a non-IFRS financial measurement, to Operating Profit before Federal Royalty, which we believe is the most directly comparable financial measurement calculated and presented in accordance with IFRS.

<table>
<thead>
<tr>
<th>(AED m)</th>
<th>Q2'20</th>
<th>Q1'21</th>
<th>Q2'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>6,523</td>
<td>6,765</td>
<td>6,641</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>(1,852)</td>
<td>(2,010)</td>
<td>(2,001)</td>
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<tr>
<td>Exchange Gain/ (Loss)</td>
<td>37</td>
<td>(70)</td>
<td>(24)</td>
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<tr>
<td>Share of Associates and JV's results</td>
<td>49</td>
<td>61</td>
<td>68</td>
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<tr>
<td>Impairment and other losses</td>
<td>0</td>
<td>(0)</td>
<td>0</td>
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<tr>
<td>Operating Profit before Royalty</td>
<td>4,758</td>
<td>4,747</td>
<td>4,685</td>
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</table>
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ABOUT ETISALAT GROUP

Etisalat Group is an international, blue-chip organisation with operations in 16 countries across the Middle East, Africa and Asia. It is one of the leading telecom operators with one of the largest market capitalization among Middle East, African and Asian telcos. It is a highly rated telecom company with ratings from Standard & Poor's and Moody's (AA-/Aa3).

Etisalat Group's shareholding structure consists of 60% held by the Emirates Investment Authority and 40% free float. Etisalat (Ticker: Etisalat) is quoted on the Abu Dhabi Securities Exchange (ADX).

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Investor Relations
Email: ir@etisalat.ae
Website: www.etisalat.com
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Introducing Etisalat Investor Relations App

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